

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill creates additional requirements for the Truth in Millage notice.

Ensure lower taxes – The bill increases the information given to taxpayers in the Truth in Millage notice, which will assist them in evaluating the fees and taxes local governments propose for the next fiscal year.

B. EFFECT OF PROPOSED CHANGES:

PRESENT SITUATION

Property appraisers are responsible for preparing notices of proposed property taxes and non-ad valorem assessments on behalf of all taxing authorities and local governing boards levying ad valorem taxation and non-ad valorem assessments. Property appraisers must prepare and deliver these notices to each taxpayer listed on the current year's assessment roll.¹ This notice is called the Truth in Millage Notice (TRIM).

Section 200.069, F.S., provides the elements and format of the TRIM notice, which generally is the only acceptable means of providing notice to taxpayers. The Department of Revenue (Department) produces the forms. A county officer may use a different form provided that it is substantively similar to the one produced by the Department, his or her office pays the related expenses, and he or she obtains prior written permission from the executive director of the Department.

For counties with populations of 100,000 or fewer, the Department provides the forms. For counties with a higher population, the responsible county officer reproduces the forms for distribution at the expense of their office.²

Section 200.069, F.S., specifies that the information on the TRIM notice must appear in columnar form:

TAXING AUTHORITY	Your Property Taxes Last Year	Your Taxes This Year IF PROPOSED BUDGET CHANGE IS MADE	A Public Hearing on the Proposed Taxes and Budget Will be Held:	Your Taxes This Year IF NO Budget Change is Made
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The following information must be listed underneath each of the headings:

- Taxing Authority – A brief commonly used name for the taxing authority or local governing body.
- Your Property Taxes Last Year – The gross amount of ad valorem taxes levied against the parcel in the previous year. If the parcel did not exist in the previous year, this column shall be blank.
- Your Taxes This Year IF PROPOSED BUDGET CHANGE IS MADE – The gross amount of ad valorem taxes proposed to be levied in the current year, which amount shall be based on the proposed millage rates provided to the property appraiser, or in the case of voted levies for debt service, the millage rate previously authorized by referendum, and the taxable value of the parcel as shown on the current year's assessment roll.
- A Public Hearing on the Proposed Taxes and Budget Will be Held – The date, time, and a brief description of the location of the required public hearing.

¹ Section 200.065(2)(b), F.S.

² Section 195.022, F.S.

- Your Taxes This Year IF NO Budget Change is Made – The gross amount of ad valorem taxes which would apply to the parcel in the current year if each taxing authority were to levy the rolled-back rate.³

EFFECT OF PROPOSED CHANGES

This bill amends s. 200.069, F.S., to include three additional columns in the TRIM notice, bringing the total to eight. The new factors included on the notice are:

- Millage Rate Last Year – The millage rate for ad valorem taxes levied against the parcel in the previous year. If the parcel did not exist in the previous year, this column shall be blank.
- Millage Rate This Year IF PROPOSED Budget Change is Made – The proposed millage rate for ad valorem taxes to be levied against the parcel in the current year.
- Millage Rate IF NO Budget Change is Made – The millage rate for ad valorem taxes to be levied against the parcel if no budget change is made.

The changes would result in the following format:

TAXING AUTHORITY	Your Property Taxes Last Year	Millage Rate Last Year	Your Taxes This Year IF PROPOSED BUDGET CHANGE IS MADE	Millage Rate This Year IF PROPOSED BUDGET CHANGE IS MADE	A Public Hearing on the Proposed Taxes and Budget Will be Held:	Your Taxes This Year IF NO Budget Change is Made	Millage Rate IF NOT Budget Change is Made
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With columns specifically enumerating changes in the millage rate from year to year, the TRIM notice may provide citizens with a better tool to use in scrutinizing rises in ad valorem taxation. As such, this change could encourage more taxpayers to participate in the budget process.

C. SECTION DIRECTORY:

Section 1 amends s. 200.069, F.S., to include historic and proposed millage rates in the TRIM notice.

Section 2 amends s. 200.065, F.S., to conform a cross-reference.

Section 3 provides an effective date of January 1, 2009.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.⁴

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

³ Section 200.065(1), F.S., describes the “rolled-back rate” as the millage rate which, exclusive of new construction, additions to structures, deletions, increase in the value of improvements that have undergone substantial rehabilitation which increased the assessed value by at least 100 percent, and property added due to geographic boundary changes, will yield the same ad valorem tax revenue for each taxing authority as was levied during the prior year.

⁴ Email from the Department of Revenue, January 28, 2008.

1. Revenues:

None.

2. Expenditures:

County officers who use a form other than the form provided by the Department of Revenue, after receiving the written permission of the Department, may incur additional expenses to redesign the form. In addition, counties with a population of 100,000 or more are required to print their own TRIM notices. As such, these counties may incur additional expenditures in the change from one form to another.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. The bill does not reduce the percentage of a state tax shared with counties or municipalities. The bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

HB 177 amends the current requirements of 200.065 F.S. This statute requires the property appraisers pursuant to s. 206.065(2)(b) to prepare and deliver each taxpayer a notice of proposed taxes. This notice is commonly called the Truth in Millage Notice (TRIM). Presently the TRIM notice does not include the millage each taxing authority and local governing boards levy within their jurisdiction. This bill requires the Truth in Millage Notice to disclose the actual millage used to determine the actual tax.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

Not applicable.